

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Release Number: **201101030**
Release Date: 1/7/11
Date: October 15, 2010

Employer Identification Number:

Contact Person - ID Number:

Contact Telephone Number:

LEGEND

UIL 4945.04-04

Y = Name of Grant Program
Z = Program 1
W = Name of States
V = Number of tribal nations
F = Program 2
N = Name of Institute
b = \$ Amount
x = \$ Amount
y = \$ Amount

Dear

We have considered your request for advance approval of your grant-making program under section 4945(g)(3) of the Internal Revenue Code, dated December 22, 2009.

Our records indicate that you were recognized as exempt from Federal income tax under section 501(c)(3) of the Code and that you are classified as a private foundation as defined in section 509(a).

Your letter indicates that you will operate a grant-making program called Y that will provide grants to individuals in furtherance of your goal to develop leaders who will be catalysts for positive change within a variety of communities, organizations and professions identified and supported by you. The grant program will be directed at strengthening a number of communities and organizations and its core focus will be on developing courageous and capable leaders. Grant funds will be used to support the grantee's access to ideas and information, expanded networks, and leadership training through conferences and other in-person skill building sessions, distance learning and web based approaches.

The grant program Y is a broad based initiative whose goals are to 1) support the self-determination of native nations; 2) develop courageous leaders and engage entire communities in solving problems; and 3) increase educational achievement. The initial component of Y is focused on building capacity for self-determination within V that share the same geography as W. This program known as Z will be open to candidates

over 18 years of age who are enrolled citizens of V in W and living on or nearby these lands.

The second program under Y is F. The purpose of F is to develop courageous and capable leaders in W who will be catalysts for positive change in furtherance of Y. Further the purpose is to improve and enhance the leadership capacities, skills and talents of community leaders and to support each community leader's access to ideas and information, expanded networks and leadership training through conferences and other in-person skill building sessions, distance learning, web based approaches and coaching. You will identify the types of leaders necessary to meet the various goals of Y and structure a specific fellowship to strength that type of leader. The grants will be to cover the cost of educational and skill-building activities for one or two-year periods. Most of the educational and skill building will occur at workshops and events sponsored by you for which you will not charge for attendance. The grants will be to cover the transportation to and from the workshops and events, as well as the cost of meals and lodging while at the workshops and events. If the grantee is to attend an educational or skill-building program and there are tuition or fees charged then the grant will also cover this amount.

The grants will range from b. Some fellowships programs may also include small stipends or grants to cover these costs if the grantee is to attend an educational or skill-building program not sponsored by you, when the efficacy of such opportunities is demonstrated to you. These stipends or grants would range from x. You have determined that for Z the grants will range from y over the two years of the program. A stipend will not be paid for events sponsored by you. The number of grants given each year for F will range from 30-75 and for Z the number of grants given will be up to 50.

The grants are publicized through your website, Electronic mailings, personal communication in relevant communities, various grant guides and websites, press releases to various media outlets within the areas served, and other means. The Foundation employs a full-time Director of Engagement and Communication to handle the publication.

Individuals who are eligible to apply for the grants are at least 18 years of age and live in W. For Z, they must also be a member of V and be living on or near V. The candidates must complete a written application which will include brief essay answers to questions of relevance to the applicant's community involvement and leadership potential and letters of reference from persons familiar with the applicant's character and abilities.

Eligible candidates will be evaluated according to the following criteria:

- Demonstrated commitment to his or her organization or community
- Knowledge of issues facing such organization or community
- Past leadership or demonstrated leadership potential
- Past involvement in the organization or community in positions of service or leadership
- Good character and reputation, and
- Any other criteria deemed by the selection committee to be relevant to the candidate's capacity to contribute to and solve problems within his or her community or organization.

Candidates will be selected from among applicants by a selection committee which will be composed of persons knowledgeable about the communities served as well as your staff and trustees. No recipient of a grant may be related to a member of a selection committee or to any "disqualified persons" in relation to you.

The terms and conditions for each grant will be set forth in the written grant agreement signed by the recipient and kept on file with you. To the extent grants expenditures are to cover expenses, you will whenever possible pay such expenses directly (such as travel, lodging, etc). Where it is not possible, you will require appropriate documentation of actual travel expenses before payment is made.

Certain aspects of the grant program will be administered in partnership with other nonprofit organizations. With regard to Z a grant was made to N who then disbursed the grants.

You will require at least annually reports on the use of the funds and progress the grantee has made toward achieving the purposes for which the grant was made. At the end of the grant period, each recipient is required to make a final report to you regarding the grantee's accomplishment and accounting for the funds received under the grant.

If no report is filed by the grantee, or if reports indicate that the funds are not being used in furtherance of the grant purpose, you will investigate the grant. During the investigation, you will withhold further payments from the grantee until any delinquent reports are received. If it has been determined that the funds are not being used in furtherance of grant purposes, you will take all reasonable steps, including legal action where appropriate, to recover the grant funds or insure the restoration of the diverted funds to the specified grant purposes.

In the event an award recipient drops out of the program for which grant funds have been awarded, the written grant agreement provides that you will terminate any further payments to the award recipient and have no further obligations to the recipient. The written agreement also provides that if a recipient does not attend a session and fails to provide you sufficient notice of non-attendance, the recipient will reimburse you for any costs you incur in anticipation of the recipient's attendance at the session.

Most of the fellowships will not be renewable after completion of the applicable one- or two-year commitment. If there is a renewal option, the grantee must first complete the commitments and obligations in the initial grant period including the interim and final reports on the use of the grant funds as a prerequisite for renewal. Renewals are contingent on your having no information that the original grant is being or has been used for any purpose other than that for which it was made and other objective and nondiscriminatory criteria such as submission of application materials demonstrating a recipient's continuing qualification and capacity to further the purpose of the grant.

You agree to maintain records that include the following:

- (i) Information used to evaluate the qualification of potential grantees;

- (ii) Identification of the grantees (including any relationship of any grantee to the private foundation);
- (iii) The amount and purpose of each grant; and
- (iv) All grantee reports and other follow-up data obtained in administering the private foundation's grant program.

Further to the extent you partner with other organizations such as N in administering the grant program, you will commit the partner to cooperate with you to collect and maintain the required records.

Sections 4945(a) and (b) of the Code impose certain excise taxes on "taxable expenditures" made by a private foundation.

Section 4945(d)(3) of the Code provides that the term "taxable expenditure" means any amount paid or incurred by a private foundation as a grant to an individual for travel, study, or other similar purposes by such individual, unless such grant satisfies the requirements of subsection (g).

Section 4945(g) of the Code provides that section 4945(d)(3) shall not apply to individual grants awarded on an objective and nondiscriminatory basis pursuant to a procedure approved in advance if it is demonstrated that:

- (1) The grant constitutes a scholarship or fellowship grant which is subject to the provisions of section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii);
- (2) The grant constitutes a prize or award which is subject to the provisions of section 74(b), if the recipient of such prize or award is selected from the general public, or
- (3) The purpose of the grant is to achieve a specific objective, produce a report or similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Section 53.4945-4(c)(1) of the Regulations provides that to secure approval, a private foundation must demonstrate that:

- (i) Its grant procedure includes an objective and nondiscriminatory selection process;
- (ii) Such procedure is reasonably calculated to result in performance by grantees of the activities that the grants are intended to finance; and
- (iii) The foundation plans to obtain reports to determine whether the grantees performed activities that the grants are intended to finance.

Based on the information submitted and assuming your award programs will be conducted as proposed with a view to provide objectivity and nondiscrimination in making the awards, we have determined that your procedures for granting the awards comply with the requirements contained in section 4945(g) of the Code and that awards granted in accordance with such procedures will not constitute "taxable expenditures" within the meaning of section 4945(d)(3).

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants will be awarded to foundation managers, or members of the selection committee, or for a purpose that is inconsistent with the purpose described in section 170(c)(2)(B) of the Code.

The approval of your award program procedures herein constitutes a one-time approval of your system standards and procedures designed to result in awards which meet the requirements of section 4945(g)(3) of the Code. This determination only covers the grant programs described above. Thus, approval shall apply to subsequent award programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

We have not considered whether grants made under your procedures are excludable from the gross income of recipients under section 117(a) of the Code.

Any funds you distribute to individuals must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that any or all award distributions can be substantiated upon request by the Internal Revenue Service.

This determination is directed only to the organization that requested it. Section 6110(j)(3) of the Code provides that it may not be used or cited as a precedent.

You must report any future changes in your grant making procedures. Please keep a copy of this letter in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

**Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201**

Department of the Treasury

Release Number:
Release Date: 1/7/11
Date: October 15, 2010

Employer Identification Number:

Contact Person - ID Number:

Contact Telephone Number:

LEGEND

UIL 4945.04-04

Y = Name of Grant Program
Z = Program 1
W = Name of States
V = Number of tribal nations
F = Program 2
N = Name of Institute
b = \$ Amount
x = \$ Amount
y = \$ Amount

Dear

We have considered your request for advance approval of your grant-making program under section 4945(g)(3) of the Internal Revenue Code, dated December 22, 2009.

Our records indicate that you were recognized as exempt from Federal income tax under section 501(c)(3) of the Code and that you are classified as a private foundation as defined in section 509(a).

Your letter indicates that you will operate a grant-making program called Y that will provide grants to individuals in furtherance of your goal to develop leaders who will be catalysts for positive change within a variety of communities, organizations and professions identified and supported by you. The grant program will be directed at strengthening a number of communities and organizations and its core focus will be on developing courageous and capable leaders. Grant funds will be used to support the grantee's access to ideas and information, expanded networks, and leadership training through conferences and other in-person skill building sessions, distance learning and web based approaches.

The grant program Y is a broad based initiative whose goals are to 1) support the self-determination of native nations; 2) develop courageous leaders and engage entire communities in solving problems; and 3) increase educational achievement. The initial component of Y is focused on building capacity for self-determination within V that share the same geography as W. This program known as Z will be open to candidates

over 18 years of age who are enrolled citizens of V in W and living on or nearby these lands.

The second program under Y is F. The purpose of F is to develop courageous and capable leaders in W who will be catalysts for positive change in furtherance of Y. Further the purpose is to improve and enhance the leadership capacities, skills and talents of community leaders and to support each community leader's access to ideas and information, expanded networks and leadership training through conferences and other in-person skill building sessions, distance learning, web based approaches and coaching. You will identify the types of leaders necessary to meet the various goals of Y and structure a specific fellowship to strength that type of leader. The grants will be to cover the cost of educational and skill-building activities for one or two-year periods. Most of the educational and skill building will occur at workshops and events sponsored by you for which you will not charge for attendance. The grants will be to cover the transportation to and from the workshops and events, as well as the cost of meals and lodging while at the workshops and events. If the grantee is to attend an educational or skill-building program and there are tuition or fees charged then the grant will also cover this amount.

The grants will range from b. Some fellowships programs may also include small stipends or grants to cover these costs if the grantee is to attend an educational or skill-building program not sponsored by you, when the efficacy of such opportunities is demonstrated to you. These stipends or grants would range from x. You have determined that for Z the grants will range from y over the two years of the program. A stipend will not be paid for events sponsored by you. The number of grants given each year for F will range from 30-75 and for Z the number of grants given will be up to 50.

The grants are publicized through your website, Electronic mailings, personal communication in relevant communities, various grant guides and websites, press releases to various media outlets within the areas served, and other means. The Foundation employs a full-time Director of Engagement and Communication to handle the publication.

Individuals who are eligible to apply for the grants are at least 18 years of age and live in W. For Z, they must also be a member of V and be living on or near V. The candidates must complete a written application which will include brief essay answers to questions of relevance to the applicant's community involvement and leadership potential and letters of reference from persons familiar with the applicant's character and abilities.

Eligible candidates will be evaluated according to the following criteria:

- Demonstrated commitment to his or her organization or community
- Knowledge of issues facing such organization or community
- Past leadership or demonstrated leadership potential
- Past involvement in the organization or community in positions of service or leadership
- Good character and reputation, and
- Any other criteria deemed by the selection committee to be relevant to the candidate's capacity to contribute to and solve problems within his or her community or organization.

Candidates will be selected from among applicants by a selection committee which will be composed of persons knowledgeable about the communities served as well as your staff and trustees. No recipient of a grant may be related to a member of a selection committee or to any "disqualified persons" in relation to you.

The terms and conditions for each grant will be set forth in the written grant agreement signed by the recipient and kept on file with you. To the extent grants expenditures are to cover expenses, you will whenever possible pay such expenses directly (such as travel, lodging, etc). Where it is not possible, you will require appropriate documentation of actual travel expenses before payment is made.

Certain aspects of the grant program will be administered in partnership with other nonprofit organizations. With regard to Z a grant was made to N who then disbursed the grants.

You will require at least annually reports on the use of the funds and progress the grantee has made toward achieving the purposes for which the grant was made. At the end of the grant period, each recipient is required to make a final report to you regarding the grantee's accomplishment and accounting for the funds received under the grant.

If no report is filed by the grantee, or if reports indicate that the funds are not being used in furtherance of the grant purpose, you will investigate the grant. During the investigation, you will withhold further payments from the grantee until any delinquent reports are received. If it has been determined that the funds are not being used in furtherance of grant purposes, you will take all reasonable steps, including legal action where appropriate, to recover the grant funds or insure the restoration of the diverted funds to the specified grant purposes.

In the event an award recipient drops out of the program for which grant funds have been awarded, the written grant agreement provides that you will terminate any further payments to the award recipient and have no further obligations to the recipient. The written agreement also provides that if a recipient does not attend a session and fails to provide you sufficient notice of non-attendance, the recipient will reimburse you for any costs you incur in anticipation of the recipient's attendance at the session.

Most of the fellowships will not be renewable after completion of the applicable one- or two-year commitment. If there is a renewal option, the grantee must first complete the commitments and obligations in the initial grant period including the interim and final reports on the use of the grant funds as a prerequisite for renewal. Renewals are contingent on your having no information that the original grant is being or has been used for any purpose other than that for which it was made and other objective and nondiscriminatory criteria such as submission of application materials demonstrating a recipient's continuing qualification and capacity to further the purpose of the grant.

You agree to maintain records that include the following:

- (i) Information used to evaluate the qualification of potential grantees;

- (ii) Identification of the grantees (including any relationship of any grantee to the private foundation);
- (iii) The amount and purpose of each grant; and
- (iv) All grantee reports and other follow-up data obtained in administering the private foundation's grant program.

Further to the extent you partner with other organizations such as N in administering the grant program, you will commit the partner to cooperate with you to collect and maintain the required records.

Sections 4945(a) and (b) of the Code impose certain excise taxes on "taxable expenditures" made by a private foundation.

Section 4945(d)(3) of the Code provides that the term "taxable expenditure" means any amount paid or incurred by a private foundation as a grant to an individual for travel, study, or other similar purposes by such individual, unless such grant satisfies the requirements of subsection (g).

Section 4945(g) of the Code provides that section 4945(d)(3) shall not apply to individual grants awarded on an objective and nondiscriminatory basis pursuant to a procedure approved in advance if it is demonstrated that:

- (1) The grant constitutes a scholarship or fellowship grant which is subject to the provisions of section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii);
- (2) The grant constitutes a prize or award which is subject to the provisions of section 74(b), if the recipient of such prize or award is selected from the general public, or
- (3) The purpose of the grant is to achieve a specific objective, produce a report or similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Section 53.4945-4(c)(1) of the Regulations provides that to secure approval, a private foundation must demonstrate that:

- (i) Its grant procedure includes an objective and nondiscriminatory selection process;
- (ii) Such procedure is reasonably calculated to result in performance by grantees of the activities that the grants are intended to finance; and
- (iii) The foundation plans to obtain reports to determine whether the grantees performed activities that the grants are intended to finance.

Based on the information submitted and assuming your award programs will be conducted as proposed with a view to provide objectivity and nondiscrimination in making the awards, we have determined that your procedures for granting the awards comply with the requirements contained in section 4945(g) of the Code and that awards granted in accordance with such procedures will not constitute "taxable expenditures" within the meaning of section 4945(d)(3).

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants will be awarded to foundation managers, or members of the selection committee, or for a purpose that is inconsistent with the purpose described in section 170(c)(2)(B) of the Code.

The approval of your award program procedures herein constitutes a one-time approval of your system standards and procedures designed to result in awards which meet the requirements of section 4945(g)(3) of the Code. This determination only covers the grant programs described above. Thus, approval shall apply to subsequent award programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

We have not considered whether grants made under your procedures are excludable from the gross income of recipients under section 117(a) of the Code.

Any funds you distribute to individuals must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that any or all award distributions can be substantiated upon request by the Internal Revenue Service.

This determination is directed only to the organization that requested it. Section 6110(j)(3) of the Code provides that it may not be used or cited as a precedent.

You must report any future changes in your grant making procedures. Please keep a copy of this letter in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Robert Choi
Director, Exempt Organizations
Rulings and Agreements